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COMMITTEES:
AGRICULTURE
HOUSE ARMED SERVICES
NATURAL RESOURCES

Statement from U.S. Representative Frank Kratovil
Submitted to the Maryland House of Delegates Health and Government Operations Committee
February 25, 2010

As a parent, there is no experience more terrifying than rushing a sick or injured child to the hospital, counting the minutes until you can get your kid to help. As a Queen Anne's County resident and the father of four young children with a fifth on the way, the Queen Anne's County Emergency Department (ED) project is therefore of great personal importance to me and my family. Ours is one of the few counties in the state without 24-hour hospital-quality emergency services, and the opening of this new state-of-the-art facility will put an end to the days when Saturday beach traffic might put an emergency room 45 minutes or more away from the front doors of those in our community. The Queen Anne's County community is united in support of this new Emergency Department, and I am personally grateful for the efforts of the state and county officials who worked to make this project a reality.

However, the long-term viability of this facility is threatened by the state's current position that the hospital-quality emergency medical services provided at this stand-alone, hospital-affiliated facility will not be reimbursed at the same rate as identical services provided at hospitals elsewhere in the state, including an existing stand-alone emergency center located in Prince George's County. This discrepancy is even more glaring when one looks at other states; according to the Centers for Medicare & Medicaid Services (CMS), similar stand-alone, hospital-affiliated facilities in other states are currently granted provided-based status for the purpose of determining reimbursement rates. However, Maryland's current determination that this facility and the similar Shady Grove Adventist Hospital facility in Germantown are not hospital-based has effectively prevented CMS from granting this same provider-based status to these two Maryland facilities.

This determination has a particularly significant impact on the county's volunteer fire departments and emergency medical services. Maryland's failure to regulate the Queen Anne's County ED as a hospital will prevent EMS providers from being reimbursed at full levels for transporting critically sick or injured patients to the facility. It will create a twisted system in which ambulance drivers would be reimbursed at a higher level for transporting a patient to a further-away facility, but would be denied the same reimbursements for bringing a patient to a closer facility that offers the same hospital-level services, equipment, and level of care. This is neither fair nor reasonable.

A review of Adventist's experience in seeking provider-based status from CMS is instructive as to the necessity of a change in Maryland's regulation of these facilities. On May 8, 2008, Administrative Law

Judge Keith Sickendick ruled that the Germantown facility met all of the Medicare program's conditions and requirements for "provider based-status", which would allow the stand-alone emergency department to be reimbursed at the same rate as identical facilities in other states. However, this ruling was rejected on appeal, because CMS is expressly prohibited from recognizing a facility as provider-based in cases where a state has its own rate-setting authority that has ruled to the contrary. In other words, the state's determination that Adventist's Germantown facility should not be rate-regulated by HSCRC is effectively preventing CMS from granting these two facilities the same treatment under Medicare that identical facilities in other states currently receive.

As a matter both of fairness and of sound public policy, it is inexplicable that stand-alone hospital-affiliated Emergency Departments in Germantown and Queen Anne's County, both offering hospital-quality emergency services 24 hours a day, would be denied rate regulation while a stand-alone emergency facility in Bowie is regulated by HSCRC despite not offering 24-7 services. Nor do I believe it is fair that the only provider of hospital-quality emergency services in one of the few counties in Maryland without its own full-service hospital should be reimbursed at rates lower than identical services provided by and at hospitals in other counties. House Bill 699 would give Maryland the option to correct this disparity and ensure the long-term viability of the Queen Anne's County Emergency Department, a critical project for Queen Anne's County and one which I am proud to support. I urge members of the Committee to support House Bill 699.

A handwritten signature in black ink, appearing to read 'F. Kratovil', with a stylized flourish at the end.

Frank M. Kratovil, Jr.